

Decision No. 65250**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SATICOY WATER COMPANY for approval)	
of the outstanding advance contract)	Application No. 45339
balances to exceed 50% of the total)	(Filed April 15, 1963)
utility plant less depreciation)	(Amended April 18, 1963)
reserve.)	

O P I N I O N

By letter dated March 25, 1963, applicant, a public utility water company operating in Saticoy, Ventura County, advised this Commission that outstanding advance contracts as of December 31, 1962 exceeded 50 percent of its investment in water utility plant less depreciation reserve. The reported amounts are as follows:

Total utility plant	\$1,114,393.01
Less: Reserve for depreciation	116,803.29
Net utility plant	<u>997,589.72</u>
Advances for construction	609,773.40
Percentage relationship of advances to net plant	61%

Section A.2.a. of applicant's water main extension rule provides, in part:

"Whenever the outstanding advance contract balances exceed 50% of the total water utility plant less depreciation reserve, the utility shall not make any further extension of distribution mains without authorization of the Commission."

By this application, Saticoy Water Company requests authorization to make extensions of its distribution mains to serve Tracts Nos. 1287-1, 1287-2, 1352-2 and 1429-2, Ventura County. In support

of this request, applicant advises that it:

1. Has pending before this Commission a request for authority to terminate two main extension contracts with a total outstanding balance of \$45,082.31, by making a lump sum cash payment of \$18,032.93.
2. Is in the process of negotiating with other holders of main extension contracts for similar terminations.
3. Has at all times paid refunds in cash, when due, out of company earnings. These earnings far exceed the amounts required for refunds of advances.
4. Has pending requests for extension of service to the tracts specified above, which will require additional advances of approximately \$40,000.

We find that:

1. Applicant is taking appropriate steps to reduce the amount of outstanding advance contract balances.
2. Applicant has demonstrated its ability to pay refunds when due on existing advance contracts and on those which will result from the extensions authorized herein.
3. Extension of applicant's distribution mains to serve additional tracts, as authorized herein, will not be adverse to the public interest.
4. A public hearing is not necessary.
5. The authorization granted herein should become effective immediately.

O R D E R

IT IS ORDERED that:

1. Applicant is authorized to deviate from Section A.2.a., Limitation of Expansion, of its filed main extension rule, by extending service to Tracts Nos. 1287-1, 1287-2, 1352-2 and 1429-2, Ventura County.

2. In all other respects, the provisions of applicant's main extension rule shall continue to apply unless authorization to deviate therefrom is first obtained from this Commission.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 23rd day of APRIL, 1963.

George G. Trover
President
[Signature]
[Signature]
Fredrick B. Holcomb
[Signature]
Commissioners